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November 14, 1987

INDEPENDENT AUDITORS' REPORT

Mr. Robert Wagnier, Executive Director  
and the Board of Directors  
Kiaschie-Delta Regional Planning and  
Development District, Inc.  
Alexandria, Louisiana

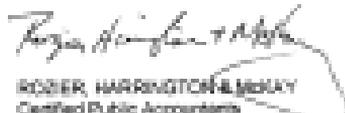
We have audited the accompanying general purpose financial statements of the Kiaschie-Delta Regional Planning and Development District, Inc., as of and for the year then ended June 30, 1987. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Kiaschie-Delta Regional Planning and Development District, Inc., as of June 30, 1987 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 1997, on our consideration of the Klamath-Delta's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Klamath-Delta Regional Planning and Development District, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

  
ROGER HARRINGTON & MCKAY  
Certified Public Accountants

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS-OVERVIEW)

**MEMBERSHIP, D.D.T.A.**  
**BEGGIVAL PLANTING AND DEVELOPMENT DISTRICT, INC.**  
 (combined business share)

all fund types and account groups  
 Jan. 31, 1997

	Non-restricted Funds		Industry Funds		Account Group		Total Encumbrances (only)
	General	Special Services	Agency	Trust Funds	General	Levy Fund	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 11,491	\$ 261,047	\$ -	\$ -	\$ -	\$ -	\$ 272,538
Accounts Receivable	4,706	97,776	-	-	-	-	102,482
Other receivables	1,762	-	-	-	-	-	1,762
Loans receivable, net of allowance for loan losses	-	1,963,419	-	-	-	-	1,963,419
Investments	-	89,794	-	1,969,544	-	-	2,059,338
Capital fund assets	-	-	-	-	-	1,998,081	1,998,081
Long-term debt	-	-	-	-	-	-	-
Property and equipment, net of accumulated depreciation plus	-	-	89,794	-	-	-	89,794
<b>Total assets</b>	<b>\$ 18,959</b>	<b>\$ 1,372,036</b>	<b>\$ 89,794</b>	<b>\$ 1,969,544</b>	<b>\$ 1,998,081</b>	<b>\$ 1,998,081</b>	<b>\$ 3,457,511</b>
<b>LIABILITIES and fund equity</b>							
<b>Liabilities</b>							
Accounts and other payables	\$ -	\$ 98,413	\$ -	\$ -	\$ -	\$ -	\$ 98,413
Accrued taxes	-	-	-	-	-	24,959	24,959
Unbonded payables	-	97,094	-	-	-	-	97,094
Notes payable - Baysport Road	-	-	-	-	-	192,877	192,877
Notes payable - Town of Bays Administration	-	-	-	-	-	1,754,986	1,754,986
Contingent liabilities (under MOU) (contingent obligations)	-	-	201,771	-	-	-	201,771
<b>Total liabilities</b>	<b>\$ 0</b>	<b>\$ 195,507</b>	<b>\$ 201,771</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,952,862</b>	<b>\$ 2,347,016</b>
<b>Fund equity:</b>							
Reserve to provide fund equity	\$ 68,411	\$ 1,149,423	-	-	\$ 1,998,081	-	\$ 2,115,915
<b>Fund balance</b>	<b>\$ 68,411</b>	<b>\$ 1,149,423</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,998,081</b>	<b>\$ -</b>	<b>\$ 3,165,915</b>
<b>Total fund equity</b>	<b>\$ 68,411</b>	<b>\$ 1,149,423</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,998,081</b>	<b>\$ -</b>	<b>\$ 3,165,915</b>
<b>Total liabilities and fund equity</b>	<b>\$ 68,411</b>	<b>\$ 1,149,423</b>	<b>\$ 201,771</b>	<b>\$ 0</b>	<b>\$ 1,998,081</b>	<b>\$ 0</b>	<b>\$ 3,457,511</b>

The accompanying notes are an integral part of the financial statements.

**KISATCHE-DELTA  
REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**

Combined Statement of Revenues, Expenditures and Changes in Fund Balance

All Governmental Fund Types

For the year ended June 30, 1997

	General	Special Revenues	Total (Memberships Only)
<b>Revenues</b>			
Grants - Federal	-	\$ 282,348	\$ 282,348
Grants - State	-	124,808	124,808
Local funds	-	88,000	88,000
Membership dues	29,078	-	29,078
Rental income	78,244	-	78,244
Administrative services	9,731	-	9,731
Interest and loan fee	51,792	118,000	171,840
Admission fees and gift. copy sales	-	21,892	21,892
Contributions	-	27,000	27,000
Miscellaneous	4,880	129	5,009
<b>Total revenues</b>	<b>218,895</b>	<b>655,274</b>	<b>874,173</b>
<b>Expenditures</b>			
Administrative services	21,118	-	21,118
Business loans	86,158	-	86,158
Current	-	607,024	607,024
General	21,655	-	21,655
Debt service			
Principal	68,888	51,344	120,244
Interest	19,744	37,819	57,563
<b>Total expenditures</b>	<b>209,863</b>	<b>796,187</b>	<b>1,006,050</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>8,932</b>	<b>(140,913)</b>	<b>(131,877)</b>
<b>Other financing sources (uses)</b>			
Proceeds from memberships	5,137	116,888	122,025
Operating transfers in	(124)	184	60
<b>Total other financing sources (uses)</b>	<b>5,013</b>	<b>117,072</b>	<b>122,085</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other uses</b>	<b>13,945</b>	<b>8,164</b>	<b>22,109</b>
<b>Fund balance - beginning of year</b>	<b>77,966</b>	<b>1,644,812</b>	<b>1,722,778</b>
<b>Fund balance - end of year</b>	<b>\$ 91,911</b>	<b>\$ 1,652,976</b>	<b>\$ 1,744,887</b>

The accompanying notes are an integral part of the financial statements.

**REDA PAPER HOLDING**

**REVENUE BY ACCOUNT AND DEVELOPMENT DISTRICT, INC.**  
 Financial Statement of Revenue, Expenditures, Exchange Mutual Balance  
 Budget Fiscal Year 2019  
 2019 Unaudited Year To Date  
 Excludes total Year 2018

	General		Joint Base Cash		Joint Base State		Total Revenue (In)	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Revenue:</b>								
State Fund	-	-	\$ 37,742	\$ 37,728	\$ 7,128	\$ 7,128	\$ 44,870	\$ 44,856
Local Fund	-	-	15,144	15,144	6,152	6,152	30,288	30,296
Exchange Mutual	-	-	1,177	1,177	-	-	2,354	2,354
Subsidies	-	-	-	-	-	-	116	116
State Grants	87,700	87,608	-	-	-	-	87,700	87,608
Local Grants	9,200	9,200	-	-	-	-	9,200	9,200
Administrative revenue	1,200	1,200	-	-	-	-	1,200	1,200
Local and Public	18,700	18,700	14,000	14,000	17,400	17,400	40,100	40,100
Administrative and other	-	-	9,000	9,000	9,000	9,000	18,000	18,000
Construction	-	-	9,000	9,000	17,400	17,400	26,400	26,400
Miscellaneous	-	-	9,000	9,000	17,400	17,400	35,400	35,400
<b>Total revenue</b>	<b>116,600</b>	<b>116,516</b>	<b>70,063</b>	<b>69,972</b>	<b>53,178</b>	<b>53,178</b>	<b>183,751</b>	<b>183,630</b>
<b>Expenditures:</b>								
Administrative revenue	3,000	3,000	-	-	-	-	3,000	3,000
Business fees	17,000	16,135	-	-	-	-	16,135	16,135
Grant	-	-	47,314	47,314	12,128	12,128	59,432	59,442
State	3,120	3,120	-	-	-	-	3,120	3,120
State grants	9,000	9,000	-	-	17,148	17,148	26,148	26,148
Local Fund	1,000	1,000	1,000	1,000	1,000	1,000	3,000	3,000
<b>Total expenditures</b>	<b>23,120</b>	<b>22,255</b>	<b>48,314</b>	<b>48,314</b>	<b>18,148</b>	<b>18,148</b>	<b>89,516</b>	<b>89,520</b>
<b>Revenue in excess of expenditures</b>	<b>93,480</b>	<b>94,261</b>	<b>21,749</b>	<b>21,658</b>	<b>35,030</b>	<b>35,030</b>	<b>94,235</b>	<b>94,110</b>
<b>Other Accounting Information:</b>								
Revenue adjustments	-	2,137	-	9,000	15,000	15,000	16,137	16,137
Expenditure adjustments	-	1,000	-	700	-	-	1,000	1,000
<b>Total other accounting revenue (expense)</b>	<b>-</b>	<b>1,137</b>	<b>-</b>	<b>8,300</b>	<b>15,000</b>	<b>15,000</b>	<b>17,137</b>	<b>17,137</b>
<b>Revenue adjustment revenue and other accounting revenue (expense) adjustments and other fees</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Revenue - beginning of year</b>	<b>97,000</b>	<b>97,000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>194,035</b>	<b>193,630</b>
<b>Total Revenue - end of year</b>	<b>194,000</b>	<b>194,000</b>	<b>194,000</b>	<b>194,000</b>	<b>194,000</b>	<b>194,000</b>	<b>388,070</b>	<b>387,260</b>

NOTES TO FINANCIAL STATEMENTS

KIATCHEE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1967

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Kiatchee-Delta Regional Planning and Development District, Inc. is a non-profit organization organized under the Laws of the State of Louisiana. The District represents a portion of Central Louisiana that includes eight (8) parishes. Kiatchee-Delta is governed by a Board of Directors and members of the Board are appointed by the governing bodies of various political subdivisions that lie within the boundaries of the District.

Kiatchee-Delta was organized in order to promote economic development and alleviate unemployment. Its activities are financed by Federal and State grants, as well as support from local governmental units. Since Kiatchee-Delta is financed by governmental sources and since its Board of Directors is appointed by various local governments, Kiatchee-Delta is considered to be a quasi-governmental unit for financial reporting purposes. The accompanying financial statements were prepared in conformity with generally accepted accounting principles for governmental units.

The following is a summary of certain significant accounting policies and practices:

**A. FINANCIAL REPORTING ENTITY**

Kiatchee-Delta is considered a legally separate standalone government as defined by Statement No. 14 of the Governmental Accounting Standards Board. The reporting entity is composed of the funds and account groups that are under the direct control of the Board of Directors. Kiatchee-Delta is not financially responsible for any organizations that maintain separate legal standing; therefore, it has no component units.

**B. FUND ACCOUNTING**

The accounts of Kiatchee-Delta are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, expenses, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which operating activities are conducted. The following fund types and account groups are used by the District:

**GOVERNMENTAL FUNDS**

**GENERAL FUND** - The General Fund is the general operating fund of Kiatchee-Delta. It is used to account for all financial resources except those required to be accounted for in another fund.

**SPECIAL REVENUE FUNDS** - The Special Revenue Funds are used to account for the proceeds of specific revenue sources restricted to expenditures for specified purposes.

KISATCHE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1997

AGENCY FUND

DEFERRED COMPENSATION - An agency fund is used to account for resources accumulated under the District's deferred compensation plan.

ACCOUNT GROUPS

FIXED ASSETS AND LONG-TERM LIABILITIES - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, and are reported as expenditures in the Governmental Fund Types when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. This cost includes interest incurred during construction. Donated fixed assets (if any) are stated at their estimated fair value on the date donated. There are no material amounts of donated assets and the District has no infrastructure fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

C. BAIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which is recognized in the period payment becomes due.

D. BUDGETS

Budgets for the various programs are prepared by Kisatchie-Delta's Executive Director. The original budget and subsequent amendments are approved by the Board of Directors.

E. ACCUMULATED UNPAID VACATION

The District's employees earn from one to one and a half hours of vacation pay for every twenty hours worked (depending upon their length of service). Vacation time not taken may be carried forward to subsequent periods, but upon termination, no more than thirty days of accrued vacation will be paid to the employee.

Earned vacation has been charged to the funds based on the same allocation as

BOZATCHE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1997

regular salary. The District's liability for accumulated vacation has been recorded in the general long-term debt group of accounts.

F. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the combined statements - overview are captioned "Memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in fund balances in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

G. INTERFUND RECEIVABLES AND PAYABLES

Amounts of cash held or disbursed by the General Fund on behalf of other funds are reported as Interfund Payables and Receivables. These Interfund Payables and Receivables are not eliminated when combined financial statements are prepared.

H. LOANS AND ALLOWANCE FOR LOAN LOSSES

Loans are reported at the amount of unpaid principal reduced by an allowance for loan losses. The allowance for loan losses is based on an amount that management believes will be adequate to absorb potential losses on existing loans. The allowance is established through a provision for loan losses charged to expenditures. Loans are charged against the allowance for loan losses when management believes that the collectability of principal is unlikely.

I. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

J. USE OF ESTIMATES

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1987

K. ENCUMBRANCE ACCOUNTING

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

NOTE 2. INTERFUND RECEIVABLE AND PAYABLES

The interfund receivables and payables at June 30, 1987 are as follows:

	Interfund Receivables	Interfund Payables
General Fund, Net	\$ 7,700	\$
Special Revenue Funds:		
Vernon Technical Assistance		39,500
Economic Development Administration		1,040
Intermediary Retaining	87,400	
Kirt House		6,940
Enterprise Zones	2,301	
Retirement		20,515
Federal Procurement		10,300
Solid Waste		8,376
Empowerment Zones		8,728
<b>Totals</b>	<b>\$ 97,401</b>	<b>\$ 97,401</b>

NOTE 3. GENERAL FIXED ASSETS

A summary of the changes in General Fixed Assets for the year are as follows:

	Balance June 30, 1986	Additions	Deletions	Balance June 30, 1987
Building & Land	\$ 1,514,336	\$	\$	\$ 1,514,336
Office Furniture and Equipment	63,114	5,172	90	68,296
<b>Total</b>	<b>\$ 1,577,450</b>	<b>\$ 5,172</b>	<b>\$ 90</b>	<b>\$ 1,582,532</b>

In June 1986, as an economic development incentive, Ksatchie Delta and South Alexandria Community Development Corporation jointly purchased land and constructed an industrial building complex at a total cost of \$1,514,336. The funding for this project was received from

KIASCHE-DELTA RECREATION, PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1987

a federal SDA grant, a state matching grant, and loan proceeds from Hibernia Bank. Upon completion of the project, the industrial complex was leased to Accurate Industries, Inc., with a 15 year, non-cancelable lease. The rental provisions require Accurate Industries to pay directly to the bank an amount equal to the monthly principal and interest on the Hibernia Bank note. The original lease agreement also included an additional rental payment of \$500 per month. This provision was eliminated during 1982 pursuant to a mutual agreement between Kiaschie-Delta and Accurate Industries, Inc.

The lease agreement contains renewal provisions for an additional 15 years upon termination of the primary term. The lease also contains options for Accurate Industries to purchase the complex upon termination of the primary term at a price equal to approximately 85% of the fair market value of the complex.

The federal SDA grant requires that Kiaschie Delta and South Alexandria Development Corporation retain ownership title to all real property during the useful life of the project. Further, the management of Kiaschie Delta has elected to present in the accompanying statements the entire cost and associated indebtedness of the industrial complex because of its oversight and financial responsibilities.

NOTE 4 - INTERMEDIARY RELENDING PROGRAM

Kiaschie-Delta has been selected to participate in the Intermediary Relending Program sponsored by the United States Department of Agriculture, Farmers Home Administration. As an intermediary, Kiaschie-Delta may borrow up to \$2,500,000 from the Farmers Home Administration at an interest rate of one percent (1%). Funds borrowed from the Farmers Home Administration will be used to create a portfolio of revolving loans to eligible borrowers within the Kiaschie-Delta District.

As of June 30, 1987, the loan portfolio consist of twenty-one (21) loans that are secured by a variety of collateral that includes real estate, equipment and inventories. The amount currently outstanding is presented as follows:

Loans Receivable	\$ 1,430,048
Allowance for Loan Losses	<u>      57,422</u>
Loans (Net)	<u>\$ 1,372,626</u>

An analysis of activity effecting the allowance for loan losses for the year ended June 30, 1987 is presented as follows:

	Allowance For Loan Losses
Balance, Beginning of the Year	\$ 80,001
Provision for Bad Debts	51,501
Loans Charged Off	<u>(94,275)</u>
Recoveries	<u>      </u>
Balance, End of the Year	<u>\$ 37,227</u>

KOATACHE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1997

**NOTES - CHANGES IN LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the year ended June 30, 1997:

	Accrued Leave Liability	Hibernia Bank	Farmer's Home Administration	Total
Balance, June 30, 1995	\$15,572	\$200,117	\$1,654,750	\$1,870,439
Additions	7,318		125,000	132,318
Long-Term Debt Retired		<u>(58,500)</u>	<u>(51,244)</u>	<u>(109,744)</u>
Balance June 30, 1997	\$22,890	\$141,617	\$1,728,506	\$1,900,013

**GENERAL OBLIGATION**

Notes payable at June 30, 1997 are comprised of the following:

	Balance Outstanding
A \$437,029 prime plus 1.5% note, payable to Hibernia Bank in monthly installments ranging from \$2,374 to \$5,599 plus interest, secured by a mortgage on land and buildings leased to Accurate Industries, due July, 1999.	\$ 141,617
A \$2,900,000 line of credit granted by the Farmer's Home Administration at 7% for the purpose of financing Koatchie-Delta's participation in the Intermediary Relending Program. Interest is due in five (5) semi-annual installments beginning July 8, 1994. Principal and interest will be paid in a series of equal installments beginning February 8, 1997 and continuing for a period of thirty (30) years. The note is secured by Koatchie-Delta's intermediary loan portfolio.	<u>1,792,606</u>
Total General Obligation Debt:	<u>\$1,934,223</u>

Repayment of principal on outstanding general obligations is as follows:

YEAR ENDING JUNE 30,	HIBERNIA BANK	FARMERS HOME ADMINISTRATION	TOTAL
1998	\$ 58,500	\$ 51,750	\$ 110,250
1999	38,842	52,379	138,821
2000	5,475	52,804	58,279
2001		53,334	53,334
2002		53,870	53,870
Thereafter		<u>1,488,480</u>	<u>1,488,480</u>
Total	\$141,617	\$1,792,606	\$1,934,223

**RISATCHE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 1987**

**NOTE 6 - ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 1987 are presented as follows:

	General	Special Revenue
State Funds	\$	\$ 38,328
Federal Funds		48,135
Local Match		10,005
Interest Loan Fees	4,550	
Contributions	-----	2,300
Total	<b>\$ 4,550</b>	<b>\$ 98,768</b>

**NOTE 7 - DEFERRED COMPENSATION PLAN**

Employees of the District may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457. Under the plan, employees may elect to defer a portion of their salaries until future years. The deferred compensation is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

Under the terms of an ERD Section 457 Deferred Compensation Plan, all deferred compensation and income attributable to its investments, until paid or made available to the employees or beneficiaries, are the property of the District subject only to the claims of the District's general creditors. Participants' rights under the plan are equal to those of the District's general creditors in an amount equal to the fair market value of the deferred amount for each participant.

**NOTE 8 - COMPENSATION OF BOARD MEMBERS**

During the year, no compensation was paid to any member of the District's Board of Directors.

**NOTE 9 - CASH**

At June 30, 1987, the District's cash balances totaled \$388,580 (Book Balance) and \$387,538 (Bank Balance). The composition of these accounts is as follows:

	BOOK BALANCE	BANK BALANCE
Demand Deposits	\$ 388,140	\$ 387,538
Party Cash	430	-----
Totals	<b>\$ 388,580</b>	<b>\$ 387,538</b>

KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1997

At June 30, 1997, deposits were secured from risk in the following manner:

Federal Deposit Insurance	\$ 182,057
Pledged Securities (Uncollateralized, GAAP Category 3)	223,194
	454,391
Bank Balance	287,539
Security in Excess of Bank Balance	<u>5,17,723</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provision of GAAP Statement 3, State Law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 10 - OPERATING LEASE:**

Kisatchie-Delta has entered into an arrangement to lease equipment over a period of sixty (60) months. The lease is subject to a non-appropriation clause which allows Kisatchie-Delta to return the equipment and forego further lease payments if funds are not available to meet future minimum lease payments. Cost incurred under this lease during the year ended June 30, 1997 consisted entirely of minimum lease payments and totaled \$5,360. Future minimum lease payments are presented as follows:

Year Ended	Minimum Lease
<u>June 30,</u>	<u>Payments</u>
1996	\$ 5,360
1998	2,800
 Total Minimum Lease Payments	 <u>\$ 8,160</u>

**NOTE 11 - RISK MANAGEMENT:**

Kisatchie-Delta is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risk of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage.

KIBATCHEE DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1997

**NOTE 12 - FUND BALANCES**

At June 30, 1997, the following funds reported deficit balances:

	<u>Deficit</u>
Economic Development Administration	(1,042)
Rent House	(3,382)
Empowerment Zones	(8,770)
Retirement	(18,832)
	<b><u>\$ (32,026)</u></b>

The General Fund will provide operating transfers to eliminate any deficit that cannot be eliminated through ordinary operations.

**NOTE 13 - EXPENDITURES EXCEEDING APPROPRIATION**

As discussed in Note 5, the District's Intermediary Relending Program (IRP) is financed by a line of credit from the Farmer's Home Administration (FmHA). Under the terms of its agreement with the FmHA, the District was required to repay principal in the amount of \$51,244 on February 9, 1997; however, due to a delay imposed by FmHA, the principal amount due remained unpaid at June 30, 1997. In order to present financial statements that conform with generally accepted accounting principals, the principal amount due was accrued at year end and reported as a debt service expenditure by the IRP Special Revenue Fund.

A review of the IRP loan portfolio was conducted subsequent to the conclusion of the year ended June 30, 1997. The result of the review indicated that additional allowances for loan losses were needed at year end. Increasing the allowance for loan losses was accomplished by reporting additional IRP expenditures related to its provision for loan losses.

Management did not expect the expenditures described above to result in disbursements before or immediately following June 30, 1997. As a result, these expenditures were excluded from the operating budget for the year ended June 30, 1997. Due to this exclusion, IRP expenditures exceeded appropriations.

SUPPLEMENTAL INFORMATION

COMBINED FINANCIAL STATEMENTS  
SPECIAL REVENUE FUNDS

## SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

VERMONT TECHNICAL ASSISTANCE - Account for resources restricted for the purpose of preparing economic adjustment strategy for areas affected by realignment of Fort Polk.

ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) - Accounts for the receipt and disbursement of a U.S. Department of Commerce Grant restricted for economic development within the District's geographic region.

INTERMEDIARY LENDING PROGRAM - Account for resources which are restricted for the purpose of establishing a revolving loan portfolio to benefit the rural portion of the Klamath-Delta District.

EMPOWERMENT ZONES - Account for restricted resources which will be used in an effort to obtain designation as an empowerment zone for a portion of Klamath-Delta District.

ENTERPRISE ZONES - Accounts for funds restricted for the purpose of implementing changes that effect Enterprise Zones within the District.

KENT HOUSE - Accounts for the receipt and disbursement of state and private donations restricted for maintaining and operating the Kent House Plantation.

FEDERAL PROCUREMENT - Accounts for the receipt and disbursement of funds restricted for assisting local businesses in procuring federal contracts, and placement of eligible JTPA Participants.

RETIREMENT - Accounts for the receipt and disbursement of funds restricted for the purpose of promoting the district to retirees.

SOLID WASTE - Accounts for resources restricted for the purpose of developing solid waste disposal options.

**ASATCHEE-DELTA**  
**REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**  
 Combining Balance Sheet  
 Special Revenue Fund  
 June 30, 2017

**Assets**

Cash and cash equivalents  
 accounts receivable  
 due amounts not collectible by  
 age base  
 investments

Current Balance Available	PPA	Due receivable allowance	Investment with due	Due Total	Net Investment Total	Fund Balance	Total per line	Total Total
\$ -	\$ -	\$ 264,248	\$ -	\$ 264,248	\$ -	\$ -	\$ -	\$ -
\$ 4,493	-	-	-	4,493	-	4,493	4,493	4,493
-	-	150,000	-	150,000	-	-	-	150,000
-	-	11,000	-	11,000	-	-	11,000	11,000
<u>\$ 4,493</u>	<u>\$ -</u>	<u>\$ 425,248</u>	<u>\$ -</u>	<u>\$ 425,248</u>	<u>\$ -</u>	<u>\$ 4,493</u>	<u>\$ 425,248</u>	<u>\$ 429,741</u>

**Liabilities and Fund Equity**

Liabilities:  
 accounts and uncollectible  
 fund payable

Total Liabilities

Fund Equity:  
 Fund balance

Total Liabilities and fund equity

\$ 124	\$ -	\$ 49,443	\$ -	\$ 49,443	\$ -	\$ -	\$ -	\$ 49,443
\$ 232	\$ 1,041	-	\$ 175	\$ 1,041	-	\$ 1,041	\$ 1,041	\$ 1,273
\$ 448	\$ 443	\$ 49,443	\$ 175	\$ 49,443	\$ -	\$ 1,041	\$ 49,443	\$ 50,484
-	\$ 11,000	\$ 4,464,811	\$ 17,000	\$ 4,464,811	\$ -	\$ 11,000	\$ 4,464,811	\$ 4,475,811
<u>\$ 448</u>	<u>\$ 11,041</u>	<u>\$ 4,913,697</u>	<u>\$ 17,175</u>	<u>\$ 4,913,697</u>	<u>\$ -</u>	<u>\$ 11,041</u>	<u>\$ 4,913,697</u>	<u>\$ 4,924,738</u>



**KUSATONIE-DELTA**  
**REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.**  
 Continuing Statement of Current Expenditures

Special Revenue Funds  
 June 30, 2007

	Other Fiscal Accounts	GRS	Inter- agency Revolving Fund	Expend- able Funds	Grant Funds	State Department	Expenditures	Com- mitment Account	Build- ings	Equip- ment	Other	Total
<b>OPERATIONAL</b>	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,713
Administrative services	-	-	72	-	1,627	-	26,610	-	87,334	-	-	114,571
Advertising	2,844	1,000	-	-	338	144	72	-	364	-	-	5,058
Contractual	1,188	1,523	37	-	1,578	441	2	14	38	-	-	5,884
Equip. rent	180	-	-	-	-	-	2,128	-	-	-	-	2,308
Exec. and administrative	1,077	1,079	207	-	2,326	194	-	11	6,877	11	-	10,393
Equipment maintenance	20,773	1,200	9,079	-	11,625	3,866	1,376	-	1,246	-	-	38,895
Equipment purchase and lease	-	-	-	-	1,176	-	-	-	-	-	-	1,176
Exp. study	2,480	1,086	1,864	-	3,448	635	-	-	1,086	-	-	6,649
Facilities and building	1,414	510	17,134	-	1,920	-	-	-	-	-	-	19,578
Legal and professional	-	-	-	-	1,782	-	-	-	-	-	-	1,782
Maintenance	-	-	-	-	1,676	1,841	-	-	282	282	-	3,881
Materials	1,149	768	249	-	1,488	87	462	-	131	-	-	3,457
Printing	873	-	-	-	32	-	-	-	-	-	-	905
Printing and publications	-	-	11,108	-	-	-	-	-	-	-	-	11,108
Purchase of land	14,076	30,376	14,076	-	48,528	27,776	4,476	-	6,471	-	-	100,131
Salaries	2,176	1,600	827	-	1,285	208	1,898	148	436	-	-	6,345
Supplies	2,252	823	229	-	409	541	2,494	292	438	-	-	6,008
Telephone	1,113	1,400	47	-	1,877	1,249	1,238	-	2,028	-	-	6,875
Travel	-	-	-	-	1,495	-	-	-	-	-	-	1,495
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current expenditures</b>	<b>\$ 18,113</b>	<b>\$ 71,881</b>	<b>\$ 17,688</b>	<b>\$ -</b>	<b>\$ 116,761</b>	<b>\$ 62,611</b>	<b>\$ 11,612</b>	<b>\$ 1,111</b>	<b>\$ 11,334</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 407,111</b>

## OTHER REPORTS

adversely affect Kitchie-Debra's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs at item 97-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 97-1 to be a material weakness.

This report is prepared for the information of management. However, this report is a matter of public record and its distribution is not limited.



ROGER HARRINGTON & MCKAY  
Certified Public Accountants

KISATCHIE-DELTA REGIONAL PLANNING  
AND DEVELOPMENT DISTRICT, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COST  
FOR THE YEAR ENDED JUNE 30, 1987

BT.1 During the year ended June 30, 1987, Kisatchie-Delta's bank accounts were not reconciled on a regular basis. As a result of failing to reconcile the accounts, several transactions were excluded from the financial reporting system. In order to avoid future errors of this nature, each bank statement should be promptly reconciled to the general ledger. Furthermore, we recommend appointing a responsible official to review each reconciliation. The review process will provide management with assurance that the bank statements are reconciled in a timely, accurate manner.